

**DRINKING WATER BOARD
BOARD PACKET FOR REQUEST FOR ADDITIONAL FUNDING
PRESENTED TO THE DRINKING WATER BOARD**

APPLICANT'S REQUEST:

On November 16, 2007 the Drinking Water Board authorized a twenty-year **loan of \$5,000,000 at 3.49% interest** to the City of Woods Cross. The City is requesting an additional \$600,000 to cover higher than expected project bid amounts.

STAFF COMMENTS/RECOMMENDATIONS:

The city held bid openings for the three phases of the project during the week of August 11, 2008. The combined total of the three bids was approximately 10% more than the cost estimate submitted by the City with their funding application. The City of Woods Cross is requesting an additional \$600,000 from the Drinking Water Board to cover the higher than expected project bids. Total construction assistance funding for the Woods Cross drinking water system improvement project will be \$5,600,000. The loan origination fee of \$56,000 is included in the total loan amount.

SRF/CONSERVATION COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize an additional \$600,000 in construction assistance to the City of Woods Cross at the same terms and conditions outlined in the authorization letter dated May 2, 2008 addressed to Mayor Kent Perry of Woods Cross City. Total construction assistance funding for the Woods Cross drinking water system improvement project will be \$5,600,000.

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Woods Cross Water System

FUNDING SOURCE: Federal SRF

(2nd Round)

COUNTY: Davis

PROJECT DESCRIPTION: new water storage reservoir, new distribution line, new well

100 % Loan

ESTIMATED POPULATION:	8,942	NO. OF CONNECTIONS:	2652	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$14.78 *			PROJECT TOTAL:	\$5,600,000
CURRENT % OF AGI:	0.42%	FINANCIAL PTS:	32	LOAN AMOUNT:	\$5,600,000
ESTIMATED MEDIAN AGI:	\$42,342			PRINC. FORGIVENESS:	\$0
STATE AGI:	\$34,801			TOTAL REQUEST:	\$5,600,000
SYSTEM % OF STATE AGI:	122%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.69%		AFTER REPAYMENT PENALTY & POINTS 3.49%
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.69%		3.49%
REQUIRED DEBT SERVICE:	\$280,000.00	\$437,623.19		\$393,665.59
*PARTIAL COVERAGE (15%):	\$0.00	\$65,643.48		\$59,049.84
*ADD. COVERAGE AND RESERVE (10%):	\$28,000.00	\$43,762.32		\$39,366.56
ANNUAL DEBT PER CONNECTION:	\$116.14	\$206.27		\$185.55
O & M + FUNDED DEPRECIATION:	\$596,823.00	\$596,823.00		\$596,823.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$45,341.15	\$0.00		\$0.00
NEEDED SYSTEM INCOME:	\$593,276.15	\$547,935.00		\$547,935.00
ANNUAL O&M PER CONNECTION:	\$223.71	\$206.61		\$206.61
AVG MONTHLY WATER BILL:	\$28.32	\$34.41		\$32.68
% OF ADJUSTED GROSS INCOME:	0.80%	0.98%		0.93%

* Current water bill is based on 2006 revenue & number of connections

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Woods Cross Water System

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan

PRINCIPAL	\$5,600,000.00	ANTICIPATED CLOSING DATE	09-Sep-08
INTEREST	3.49%	P&I PAYMT DUE	01-Oct-10
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$393,665.59	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2009	\$5,600,000.00		\$83,062.00 *	\$0.00	\$83,062.00	\$5,600,000.00	0
2010	\$5,600,000.00		\$277,440.00	\$82,000.00	\$195,440.00	\$5,518,000.00	1
2011	\$5,518,000.00		\$279,578.20	\$87,000.00	\$192,578.20	\$5,431,000.00	2
2012	\$5,431,000.00		\$389,541.90	\$200,000.00	\$189,541.90	\$5,231,000.00	3
2013	\$5,231,000.00		\$392,561.90	\$210,000.00	\$182,561.90	\$5,021,000.00	4
2014	\$5,021,000.00		\$390,232.90	\$215,000.00	\$175,232.90	\$4,806,000.00	5
2015	\$4,806,000.00		\$387,729.40	\$220,000.00	\$167,729.40	\$4,586,000.00	6
2016	\$4,586,000.00		\$410,051.40	\$250,000.00	\$160,051.40	\$4,336,000.00	7
2017	\$4,336,000.00		\$411,326.40	\$260,000.00	\$151,326.40	\$4,076,000.00	8
2018	\$4,076,000.00		\$417,252.40	\$275,000.00	\$142,252.40	\$3,801,000.00	9
2019	\$3,801,000.00		\$421,654.90	\$289,000.00	\$132,654.90	\$3,512,000.00	10
2020	\$3,512,000.00		\$422,568.80	\$300,000.00	\$122,568.80	\$3,212,000.00	11
2021	\$3,212,000.00		\$422,098.80	\$310,000.00	\$112,098.80	\$2,902,000.00	12
2022	\$2,902,000.00		\$422,279.80	\$321,000.00	\$101,279.80	\$2,581,000.00	13
2023	\$2,581,000.00		\$422,076.90	\$332,000.00	\$90,076.90	\$2,249,000.00	14
2024	\$2,249,000.00		\$421,490.10	\$343,000.00	\$78,490.10	\$1,906,000.00	15
2025	\$1,906,000.00		\$422,519.40	\$356,000.00	\$66,519.40	\$1,550,000.00	16
2026	\$1,550,000.00		\$422,095.00	\$368,000.00	\$54,095.00	\$1,182,000.00	17
2027	\$1,182,000.00		\$422,251.80	\$381,000.00	\$41,251.80	\$801,000.00	18
2028	\$801,000.00		\$421,954.90	\$394,000.00	\$27,954.90	\$407,000.00	19
2029	\$407,000.00		\$421,204.30	\$407,000.00	\$14,204.30	\$0.00	20
			\$8,080,971.20	\$5,600,000.00	\$2,480,971.20		

*Interest Only Payment

Woods Cross Water System

DWB Loan Terms		
Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	5,600,000
DWB Loan Term:		20
DWB Loan Interest:		3.49%
DWB Loan Payment:	\$	393,666

DW Expenses (Estimated)	
Proposed Facility Capital Cost:	\$ 5,600,000
Existing Facility O&M Expense:	\$ 596,823
Proposed Facility O&M Expense:	\$ 596,823
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ -

DW Revenue Sources (Projected)	
Beginning Cash:	\$ -
Existing Customers (ERC):	2,652
Projected Growth Rate:	0.8%
Impact Fee/Connection Fee:	\$ 2,328
Current Monthly User Charge:	\$ 14.78
Needed Average Monthly User Charge:	\$ 32.68

DW Revenue Projections																			
	Growth Rate	Annual Growth	Total Users	User Charge	Impact Fee	Total	DWB Loan	DWB Loan	Remaining	Principal	Interest	Existing	O&M	Total	Beginning	Ending	Net	Debt	
Yr	(%)	(ERC)	(ERC)	Revenue	Revenue	Revenue	Repayment	Reserves	Principal	Payment	Payment	DW Debt Service	Expenses	Expenses	Cash	Cash Flow	Revenue	Service Ratio	
0	0.8%	21	2,652	470,371	48,888	519,259	-	-	5,600,000	-	-	-	596,823	596,823	-	-	77,564	-	
1	0.8%	21	2,673	1,048,252	48,888	1,097,140	277,440	39,367	5,518,000	82,000	195,440	115,373	596,823	1,029,003	-	77,564	9,426	68,138	
2	0.8%	22	2,695	1,056,880	51,216	1,108,096	279,578	39,367	5,431,000	87,000	192,578	115,373	602,791	1,037,109	-	9,426	61,561	70,987	
3	0.8%	21	2,716	1,065,115	48,888	1,114,003	389,542	39,367	5,231,000	200,000	189,542	-	608,819	1,037,728	-	61,561	137,837	76,276	
4	0.8%	22	2,738	1,073,743	51,216	1,124,959	392,562	39,367	5,021,000	210,000	182,562	-	614,907	1,046,836	-	137,837	215,960	78,123	
5	0.8%	22	2,760	1,082,371	51,216	1,133,587	390,233	39,367	4,806,000	215,000	175,233	-	621,056	1,050,656	-	215,960	298,891	82,931	
6	0.8%	22	2,782	1,090,998	51,216	1,142,214	387,729	39,367	4,586,000	220,000	167,729	-	627,267	1,054,363	-	298,891	386,742	87,851	
7	0.8%	22	2,804	1,099,626	51,216	1,150,842	410,051	39,367	4,336,000	250,000	160,051	-	633,540	1,082,958	-	386,742	454,626	67,884	
8	0.8%	23	2,827	1,108,646	53,544	1,162,190	411,326	39,367	4,076,000	260,000	151,326	-	639,875	1,090,568	-	454,626	526,248	71,622	
9	0.8%	22	2,849	1,117,273	51,216	1,168,489	417,252	39,367	3,801,000	275,000	142,252	-	646,274	1,102,893	-	526,248	591,844	65,596	
10	0.8%	23	2,872	1,126,293	53,544	1,179,837	421,655	39,367	3,512,000	289,000	132,655	-	652,737	1,113,758	-	591,844	657,923	66,079	
11	0.8%	23	2,895	1,135,313	53,544	1,188,857	422,569	-	3,212,000	300,000	122,569	-	659,264	1,081,833	-	657,923	764,947	107,024	
12	0.8%	23	2,918	1,144,332	53,544	1,197,876	422,099	-	2,902,000	310,000	112,099	-	665,857	1,087,955	-	764,947	874,868	109,921	
13	0.8%	23	2,941	1,153,352	53,544	1,206,896	422,280	-	2,581,000	321,000	101,280	-	672,515	1,094,795	-	874,868	986,969	112,101	
14	0.8%	24	2,965	1,162,764	55,872	1,218,636	422,077	-	2,249,000	332,000	90,077	-	679,240	1,101,317	-	986,969	1,104,288	117,319	
15	0.8%	24	2,989	1,172,176	55,872	1,228,048	421,490	-	1,906,000	343,000	78,490	-	686,033	1,107,523	-	1,104,288	1,224,814	120,525	
16	0.8%	24	3,013	1,181,588	55,872	1,237,460	422,519	-	1,550,000	356,000	66,519	-	692,893	1,115,412	-	1,224,814	1,346,861	122,048	
17	0.8%	24	3,037	1,191,000	55,872	1,246,872	422,095	-	1,182,000	368,000	54,095	-	699,822	1,121,917	-	1,346,861	1,471,816	124,955	
18	0.8%	24	3,061	1,200,412	55,872	1,256,284	422,252	-	801,000	381,000	41,252	-	706,820	1,129,072	-	1,471,816	1,599,028	127,212	
19	0.8%	24	3,085	1,209,824	55,872	1,265,696	421,955	-	407,000	394,000	27,955	-	713,888	1,135,843	-	1,599,028	1,728,880	129,852	
20	0.8%	25	3,110	1,219,628	58,200	1,277,828	421,204	-	-	407,000	14,004	-	721,027	1,142,232	-	1,728,880	1,864,477	135,596	
Total Paid in Debt Service =										5,600,000	2,397,909								